

Healthy Harvested Foods Private Limited

March 27, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	46.50	CARE BB+; Stable	Upgraded from CARE BB; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The upgrade in rating assigned to the Healthy Harvested Foods Private Limited (HHFPL) factors in growing scale of operations in FY24 and 8MFY25 despite of recent commencement of operations in Q1FY24. The rating also derives comfort from the experienced and resourceful promoters, their established track record in rice industry and favourable location of the plant.

However, ratings strengths continue to remain constrained by leveraged capital structure, customer concentration risk, susceptibility to fluctuation in raw material prices and monsoon dependent operations and regulatory risk with highly competitive and fragmented nature of the industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Scaling up of operations, with operating income growing to more than Rs.400 crores coupled with PBILDT margin around 5% on sustained basis.
- Improvement in capital structure as reflected by overall gearing below 1.10 times

Negative factors

- Deterioration in Total operating income below Rs.200 crore.
- Any further & significant deterioration with PBILDT margin deteriorating to below 2%.

Analytical approach: Standalone

Outlook: Stable

The "Stable" outlook reflects that the entity is likely to benefit from its established relationship with the customers/suppliers and sustain the financial risk profile with extensive experience of the promoters in this business.

Detailed description of key rating drivers:

Key strengths

Growing scale of operations in FY24 and 8MFY25 despite of recent commencement of operations in Q1FY24

Healthy harvest has started operations of the company from Q1FY24. Company has installed rice grading, sorting and storage unit with capacity of 20 TPH. In the first year of operations i.e. FY24, company has generated revenue of Rs.233.61 crore. Profitability of the company stood moderate as PBILDT margin stood at 3.51% and PAT at 1.50%. GCA of the company stood at Rs.5.41 crore.

In 8MFY25, company has already achieved the revenue of Rs.293.11 crore with PBILDT margin of 3.24% and PAT margin of 1.15%. Further GCA of the company stood at Rs.4.75 crore during the same period.

Experienced and resourceful promoters:

HHFPL was incorporated in March 2020 with the commercial operations of the company commencing from Q1FY24. The promoters, Mr. Sushil Mittal (Chairman & Managing Director) and Mr. Sameer Mittal, manage the overall operations of the company. They have a healthy industry experience of around three and a half decades and one and a half decades, respectively. Group concerns of the company include Bhagwati Lacto Vegetarian Exports Private Limited and Bhagwati Lacto Foods Pvt. Ltd. are also engaged in a similar line of business since 2007 & 2008. This has led to well established relations with customers as well as the suppliers. Domestically, the company sells its products through a well-established network of distributors. Promoters of the company has infused Rs.15.45 crore upto FY24 as unsecured loan to support the operations of the company.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Favourable manufacturing location:

Company's manufacturing unit is located in Gandhidham, Gujarat. The unit is also at a close proximity to the Kandla port resulting in easy sales to the export-oriented companies. The favourable location puts the firm in a position to cut on the freight component of incoming raw materials

Key weaknesses
Leveraged capital structure:

The capital structure of the company remains leveraged on account of recent capex done by the company during FY23 and working capital limits availed by the company. Company has availed term loan of Rs.23 crore to fund the capex and Rs.25 crore for the working capital limit. In FY24, overall gearing of the company stood at 1.77x (PY: 1.42x). The company's operations are also supported by promotor's unsecured loans as in FY24 unsecured loans from directors and others stood around Rs.15.45 crore (PY: Rs.8.35 crore) which further subordinated as per the bank stipulation.

As on December 2024, working capital utilisation of the company remains fully utilised mainly on account of the peak season in rice industry (as harvesting season starts from October to April).

Customer concentration risk

Based on the FY24 results, companies' major sales were contributed by Bhagwati Lacto Vegetarian Exports private Limited (BLVEPL), as it contributes around ~60%-65% of the total sales of the company in 8MFY25 and ~80% in FY24. BLVEPL is a group company of the HHFPL which mitigates the risk of customer concentration to some extent. BLVEPL is an export-oriented company which procures rice from the HHFPL due to the favourable location of HHFPL as it is near to the port.

Susceptibility to fluctuation in raw material prices and monsoon dependent operations:

Agro-based industry is characterized by its seasonality owing to its dependence on the availability of raw materials, which further varies with different harvesting periods. The price of rice moves in tandem with the prices of paddy. Availability and prices of agro commodities are highly dependent on the climatic conditions. The peak season for procurement of paddy is November to January during which the company builds up raw material inventory to cater to the milling and processing of rice throughout the year. The timing of monsoons has a huge bearing on crop availability which determines the prevailing paddy prices. The profitability margins are therefore susceptible to the risk of any adverse price movement in the prices.

Regulatory risk with highly competitive and fragmented nature of the industry:

The commodity nature of the product makes the industry highly fragmented with numerous players operating in the unorganized sector with very less product differentiation. The raw material (paddy) prices are regulated by government to safeguard the interest of farmers, which in turn limits the bargaining power of the rice millers.

Liquidity: Stretched

The liquidity profile of the company is stretched mainly on account of almost full working capital utilisation.

The company has repayment obligation of ~Rs.3 crore for FY25 as against projected accruals of ~Rs.7.45 crore. As on 8MFY25, company has achieved GCA of Rs.4.75 crore. Current and quick ratio of the company stood at 1.05x and 0.90x. Further promoters of the company have infused Rs.15.45 crore upto FY24 as unsecured loan to support the operations of the company.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks : Not Applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Other Agricultural Products

Healthy Harvest Foods Private Limited (HHFPL) was incorporated in 2020 by Mr. Sushil Mittal and Mr. Sameer Mittal. The company is engaged in the grading, sorting and storage of rice. Prior to this it was engaged in trading of rice in FY22 since the commencement of its commercial operations in Q1FY24. The raw material, is procured from local grain markets through dealers and agents based in Punjab, Haryana, Madhya Pradesh and Uttar Pradesh etc. The unit of the company is in close proximity to Kandla and Mundra port, Gujarat. Due to the close proximity to port, BLVEPL (group company) procures rice from HHFPL. BLVEPL contributes more than ~60%-65% of the total sales of the company in 8MFY25 and ~80% in FY24.

Group concerns of the company include Bhagwati Lacto Vegetarian Exports Private Limited, Bhagwati Lacto Foods Private Limited and Bhagwati Agrochem Private Limited.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	8MFY25 (UA)
Total operating income	1.86	233.61	293.11
PBILDT	0.04	8.20	9.51
PAT	0.00	3.51	3.38
Overall gearing (times)	1.42	1.77	1.46
Interest coverage (times)	28.02	2.67	2.34

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	25.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	November 2031	21.50	CARE BB+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	25.00	CARE BB+; Stable	-	1)CARE BB; Stable (21-Mar-24)	-	-
2	Fund-based - LT-Term Loan	LT	21.50	CARE BB+; Stable	-	1)CARE BB; Stable (21-Mar-24)	-	-

LT: Long term;

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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